

PRESS RELEASE



Committee on Transportation & Infrastructure

Don Young, Chairman

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\$60 Billion High-Speed Rail & Rail Infrastructure Bill Introduced In U.S. House; Rail Improvement Funding To Be Financed By Tax-Exempt & Tax-Credit Bonds, Federal Loans & Loan Guarantees

Washington, D.C. - Bipartisan legislation that would provide \$60 billion for high-speed rail and rail infrastructure projects was introduced in the U.S. House of Representatives today.

The Railroad Infrastructure Development and Expansion Act for the 21st Century (RIDE 21) - H.R. 1631 - was introduced by:

- **U.S. Rep. Don Young (R-Alaska)**, Chairman, Transportation and Infrastructure Committee

- **U.S. Rep. James Oberstar (D-MN)**, Ranking Democrat, Transportation Committee

- **U.S. Rep. Steven LaTourette (R-OH)**, Chairman, Subcommittee on Railroads

- **U.S. Rep. Corrine Brown (D-FL)**, Ranking Democrat, Subcommittee on Railroads

In addition to the RIDE 21 legislation, the bipartisan leadership of the Committee also introduced legislation today to authorize \$2 billion annually for Amtrak over the next three years (H.R. 1630).

"RIDE 21 is an historic commitment from this Congress to improve and expand our nation's rail infrastructure and develop a viable high-speed rail system," said **Transportation Committee Chairman Don Young**. "This bill addresses the increasing needs of our passenger and freight rail systems and the growing congestion problems that hinder our other transportation systems.

"This is a state-empowering bill in which the states will call the shots. States will select and design their own corridors, choose whether to use steel-wheel or Maglev trains, and also determine how and on what schedule they will finance and construct projects."

"If the United States is serious about maintaining our status as the world's leader in transportation, then we must tap into the potential of our rail system," said **Ranking Member Oberstar**. "Even with continuing investments in highways and aviation, we cannot depend on those modes of transportation alone," said Oberstar. "We must strengthen our rail system by expanding capacity and improving reliability for freight and passenger services. RIDE 21 will enable us do that."

"RIDE-21 will pump \$60 billion into new and improved rail infrastructure across the country," said **Railroad Subcommittee Chairman LaTourette**. "It will help create thousands of new jobs while preserving the rights of rail workers under existing collective bargaining agreements."

"Expanding and improving our passenger and freight rail systems will allow this nation to keep up with ever expanding growth and improve congestion," said **Railroad Subcommittee Ranking Member Brown**. "This legislation is a win-win for the passenger and freight rail and the people who utilize it."

The Railroad Infrastructure Development & Expansion Act for the 21st Century

The establishes authority for states or interstate compacts to issue \$12 billion in federally tax-exempt bonds and \$12 billion in federal tax-credit bonds for infrastructure improvements for high-speed passenger railroad infrastructure. Other provisions include:

- * The Secretary of Transportation may approve overall corridor design that includes the following elements:
 - Has in place agreement of owning freight railroad if its rights-of-way are to be used;
 - Eliminates/avoids railroad grade crossings that would impede high-speed operations;
 - Applies prevailing wage rate standards to construction projects;
 - Has an interstate compact in place for multi-state corridors.
- * The Secretary of Transportation may approve projects to complete a major portion of the infrastructure to complete a viable and comprehensive corridor for high-speed rail as defined in 49 U.S.C. sec. 26105 (including corridors designated under ISTEA/TEA-21) at 125 mph or higher.
- * The Secretary of Transportation may give preference to projects that:
 - Use a mix of tax-credit and tax-exempt bonds;
 - Link rail passenger service with other modes of transportation;
 - Are expected to have a significant impact on air traffic congestion;
 - Are expected to also improve commuter rail operations;
 - Have all environmental work completed and are ready to commence; or
 - Have received state or local financial support.
- * The Secretary may designate \$1.2 billion per year for 10 years of private-activity tax-exempt bonds, plus \$1.2 billion per year for 10 years in tax-credit bonds. Authority to designate unused annual amounts of each type of bond carries over to subsequent years.
- * State and local government bonds used for high-speed rail infrastructure must be designated by the Secretary to be tax-exempt.
- * Tax-exempt bond amounts are excluded from the \$225 million cap on state-issued federally tax-exempt bonds.
- * Potentially displaced workers are provided protection through hiring preference for positions with new providers of high-speed rail passenger service.
- * States are required to submit annual reports on status of bonds and bond-funded projects.

Bill Extends Focus On High Speed Corridor Development

The legislation reauthorizes and modifies the existing Swift Rail Development Act, a program to develop high-speed rail corridors, by extending the program authority through fiscal year 2011.

- * \$100 million per year in general fund grants that are subject to appropriation.
- * Changes funding emphasis from *technology development* (from \$25 million per year to \$30 million per year) to *corridor development* (previously corridor planning) (from \$10 million per year to \$70 million per year) and allows acquisition of locomotives, rolling stock, track and signal equipment with program grants.

Bill Expands Rail Infrastructure Loan Program

The legislation expands the existing Railroad Rehabilitation & Infrastructure Financing (RRIF) loan and loan guarantee program by increasing funding authority from \$3.5 billion to \$35 billion of outstanding loan principal at any time. Modifies the RRIF program in the following ways:

- * Interstate compacts as well as states are eligible for assistance.
- * Magnetic levitation systems as well as steel-wheel systems are eligible for assistance.
- * Amount available for primary benefit of Class II and III railroads is increased from \$1 billion to \$7 billion out of \$35 billion in total loan principal authority.
- * Eliminates obstacles in the current RRIF program (structure of loan cohorts, collateral requirements, artificial limits on loan amounts, prior rejection requirement).
- * The Secretary of Transportation must approve or disapprove an application within 180 days after receiving it.
- * The Secretary may not assess applicant fees or other charges.
- * The Secretary is required to publish review standards and criteria within 30 days after enactment.
- * Applicants must apply prevailing wage rate standards to construction projects.

For additional information, access the Transportation & Infrastructure Committee website at:

www.house.gov/transportation

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